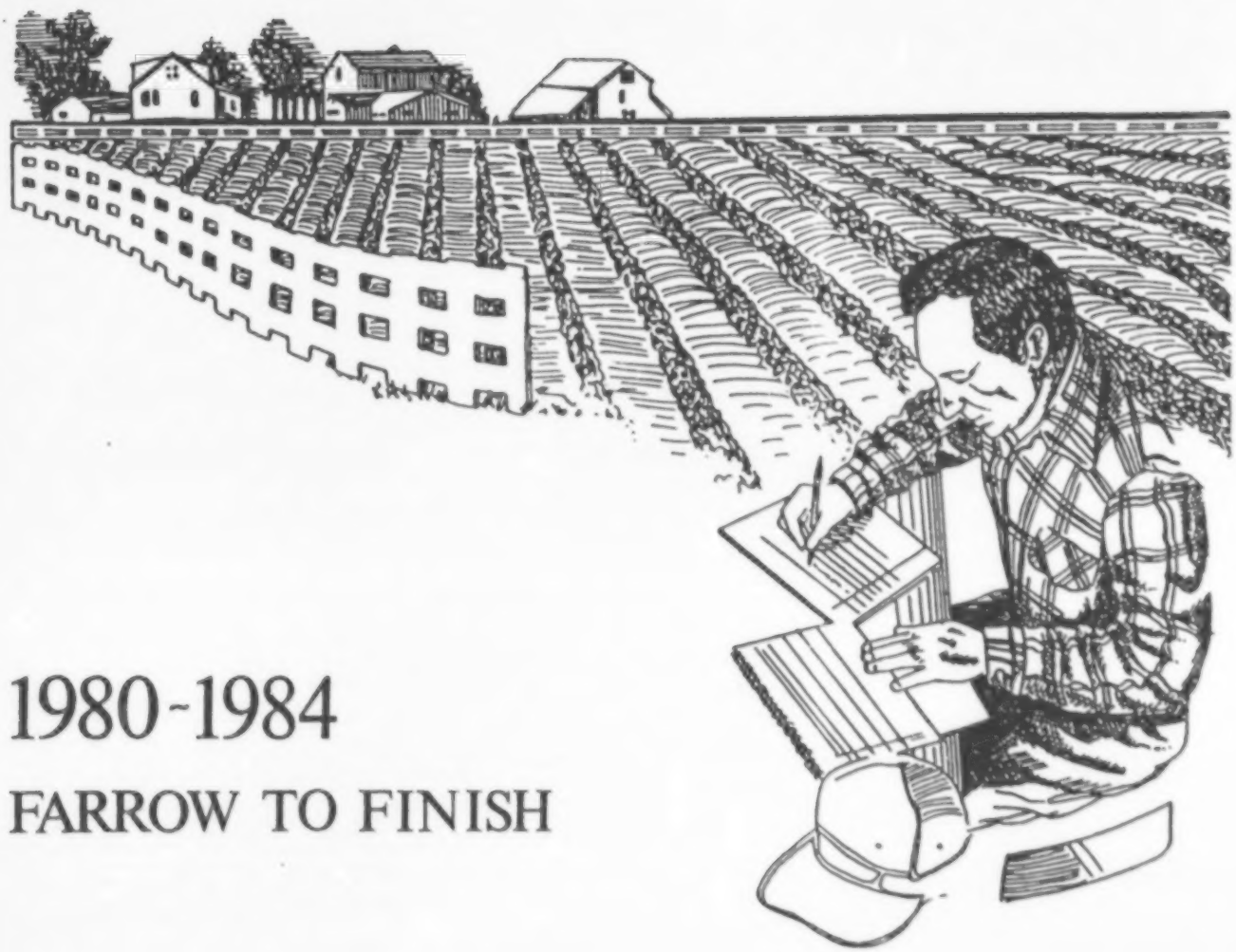
Nova Scotia Department of Agriculture and Marketing

RP-85-125
Agdex #448.821 03

Swine Farms Five Year Summary



1980-1984

FARROW TO FINISH

1980 - 1984

NOVA SCOTIA SWINE FARM

FARROW TO FINISH

BUSINESS SUMMARY REPORT

FARM MANAGEMENT DIVISION

EXTENSION SERVICES BRANCH

NOVA SCOTIA DEPARTMENT OF AGRICULTURE AND MARKETING

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INTRODUCTION

This report provides a summary of the business performance of Nova Scotia Swine Farms over a five (5) year period, 1980-1984 inclusive. Data used in the preparation of this summary was obtained from the Nova Scotia Swine Farm Business Summaries prepared in each of the five years included in this report.

As noted in the Swine Farm Business Summaries, the farms used were not selected on a random sample basis, but rather volunteered their information. Hence, care should be exercised in the interpretation and use of the results shown in the summary.

The main purpose of this summary is to provide basic information on the Swine Industry, at the farm level, in Nova Scotia over a five (5) year period. Trends in incomes, costs, net returns, efficiency and management factors are outlined.

We gratefully acknowledge the co-operation of the swine producers whose business information has been used to prepare this summary. We further acknowledge the work of Pam Fraser, who prepared the data for this summary; and Tracey Mitchell for the secretarial work.

SEPTEMBER 1985

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SECTION A

SUMMARY

S U M M A R Y

This report provides information on trends that have occured at the farm level in the Swine Industry over the five (5) year period, 1980-1984 inclusive. As noted earlier, the farms used to provide the basic data were not selected on a random sample basis. However, even with this noted limitation, the information contained in this summary can be used with care to provide useful trend data regarding the Swine Industry in Nova Scotia.

The material is presented in the following manner - a brief summary, financial ratios, management factors, and cost and return data on a per farm and per sow basis.

In reviewing information contained in Table A-1, a number of observations can be made. Gross Farm Income has increased in each of the five years, with an overall increase of 71.6 percent over the five year period. At the same time, costs have increased 70 percent over this period. However, Net Farm Income has not followed the same trend, we note much greater variability in Net Farm Income on a year to year basis.

Production per sow has shown a slight increase over the five years. The number of pigs weaned per litter has increased by 6 percent, and the number of litters per sow has remained fairly constant. The number of sows kept per man equivalent has decreased slightly.

In terms of prices received per market hog, this figure has also changed several times over the period. Returns received per market hog increased until in 1983, hog prices dropped. It should also be noted, that as the returns decreased, costs still are rising.

The largest individual component of cost in producing pork is purchased feed. During the period from 1980 to 1984, the cost of feed rose by 13.9 percent - from $69.21 in 1980 to $78.83 in 1984. The cost of feed decreased in 1983 as opposed to the increasing trend which it had been following until 1982.

TABLE A-1: SUMMARY

ITEM	1980	1981	1982	1983	1984
Gross Farm Income	190,848	258,537	272,828	275,222	327,489
Total Farm Expenses	189,580	250,805	247,765	274,974	322,155
Net Farm Income	1,268	7,732	25,063	248	5,335
Total Lbs. of Pork Prod. (L.W.)	326,827	374,279	360,305	401,509	450,209
Ave. Cost of Prod. (L.W.) ($)	.62	.66	.65	.63	.64
Ave. Cost of Prod. (D.W.) ($)	.79	.84	.83	.81	.82
Sows/Man Equivalent	50	44	44	43	48
Live Hog Prod./Man (Kgs)	65,157	59,485	59,125	60,393	68,050
# of Sows/Farm	113	125	123	131	144
# of Litters/Sow	1.99	2.05	2.06	2.10	2.07
Pigs Weaned/Litter	8.30	8.39	8.52	8.52	8.79
Market Hog Equiv. Prod.	1,536	1,769	1,703	1,867	2,100
Total Hogs Sold	1,596	2,021	1,993	2,154	2,411
Feeder Hog Mortality (%)	9.60	4.07	2.49	4.29	2.90
Ave. Wt./Market Hog (D.W.) (lbs)	166	165	165	168	167
Ave. Return/Market Hog ($)	103.69	119.66	141.68	124.13	125.86
Total Feed/Hog (Kgs)	283.23	278.06	283.78	284.00	287.01
Cost Feed/Hog ($)	69.21	75.72	78.20	74.51	78.83
Feed Conversion - Starter & Grower	2.89	2.88	2.92	2.88	2.91
Feed per Sow & Boar (Kgs)	963	976	1,002	982	1,043
Total Feed/Hog (Inc. Sow & Boar)	N/A	N/A	N/A	356.48	362.96
Cost Feed/Hog (Inc. Sow & Boar)	N/A	N/A	N/A	93.80	99.01

SECTION B

PER FARM ANALYSIS

INCOME

Total Farm Receipts increased from an average of $190,848. in 1980 to $327,489. in 1984, an increase of 53 percent. Although Total Farm Receipts increased steadily, it should be noted that in 1983 receipts from the sale of hogs decreased by 4 percent from the previous year.

Income from the sale of hogs accounted for 89.3 percent of Total Farm Receipts.

TABLE B-1: INCOME

ITEM	1980	1981	1982	1983	1984
Market Hogs	$146,689	$204,136	$236,407	$220,592	$251,795
Weanlings	2,736	9,733	10,764	12,490	14,229
Gilts - Breeding Stock	5,153	3,223	5,638	7,489	4,108
Boars - Breeding Stock	1,331	793	763	1,348	3,834
Cull Sows	5,262	6,707	6,558	6,906	8,397
Cull Boars	170	378	522	516	558
Other Hogs	285	611	833	1,074	868
TOTAL HOG SALES	$161,626	$225,581	$261,485	$250,415	$283,789
Stabilization	$ 22,823	$ 10,643	$ 3,146	$ 8,694	$ 14,373
Subsidies	2,144	13,745	2,083	2,511	5,459
Other Income	4,255	8,569	6,114	13,602	23,868
TOTAL FARM RECEIPTS	$190,848	$258,537	$272,828	$275,222	$327,489

EXPENSES

Expenses on a per farm basis increased from an average of $183,104. in 1980 to $296,554. in 1984. This represents a change of 62 percent in Cash Expenses. Purchased feed, the largest single cost item accounts for 71.5 percent. This figure has remained relatively constant for the past five (5) years.

TABLE B-2: EXPENSES

ITEM	1980	1981	1982	1983	1984
Feed Purchased	$135,314	$162,657	$159,344	$177,049	$208,816
Hogs Purchased	3,476	5,113	4,816	3,431	3,309
Hired Labor	13,357	16,961	17,649	20,214	25,395
Bedding	423	400	328	518	195
Vet & Drugs	1,491	1,775	1,833	2,303	2,997
Hog Supplies	1,095	1,292	1,283	1,263	1,382
Marketing Costs	2,805	3,117	3,211	3,337	3,871
Utilities	5,400	6,808	7,091	8,332	8,837
Taxes	770	1,122	1,236	1,246	1,479
Insurance	1,582	1,895	2,180	2,572	2,940
Building Repairs	2,154	3,223	4,051	4,785	4,750
Mach. & Equip. Exp.	3,220	3,451	3,323	5,128	5,596
Auto Expenses	1,725	1,914	3,175	1,334	2,059
Interest - Operating	6,561	10,971	8,591	7,373	6,203
Miscellaneous	3,729	6,402	5,179	1,841	3,442
Other Non-Hog Expenses	N/A	N/A	N/A	8,925	15,282
TOTAL CURRENT FARM EXPENSES	$183,104	$227,101	$223,290	$249,651	$296,554

INCOME SUMMARY

In reviewing different measures of income over the five (5) year period, it can be noted the fluctuating income levels in both the Net Cash Income and the Net Farm Income. Net Cash Income increased by 5.4 times during the period from 1980 when it was $7,744. to 1982 at $49,538. Then in 1983 it dropped by 48 percent compared to 1982. Net Farm Income followed a similar pattern, when in 1983 it took a severe drop of 99 percent, only to increase again in 1984.

TABLE B-3: INCOME SUMMARY

ITEM	1980	1981	1982	1983	1984
Total Farm Receipts	$190,848	$258,537	$272,828	$275,222	$327,489
Total Cash Expenses	183,104	227,101	223,290	249,651	296,554
NET CASH INCOME	$ 7,744	$ 31,436	$ 49,538	$ 25,571	$ 30,935
Plus: Inventory Change	$ 18,492	$ 4,883	$ 9,581	$ 4,836	$ 9,070
Less: Depreciation	16,462	18,023	18,027	18,168	19,704
Interest on Capital Loans	8,506	10,564	16,029	11,991	14,967
NET FARM INCOME	$ 1,268	$ 7,732	$ 25,036	$ 248	$ 5,335

SECTION C

PER SOW ANALYSIS

INCOME

When figures are calculated on a per sow basis, Total Farm Receipts have increased by 34.8 percent over the five (5) year period - from $1,688. in 1980 to $2,275. in 1984. It should be noted, an increasing trend until 1983 when receipts dropped from the previous year by 5 percent per sow. However, in 1984, the increasing trend continues when receipts per sow increased by 8 percent.

TABLE C-1: INCOME

ITEM	1980	1981	1982	1983	1984
Market Hogs	$1,347	$1,632	$1,925	$1,688	$1,749
Weanlings	11	78	88	96	99
Gilts - Breeding Stock	28	26	46	57	29
Boars - Breeding Stock	-	6	6	10	27
Cull Sows	37	54	53	53	58
Cull Boars	2	3	4	5	4
Other Hogs	6	5	7	8	6
TOTAL HOG SALES	$1,431	$1,804	$2,129	$1,917	$1,971
Stabilization	$ 198	$ 85	$ 26	$ 67	$ 100
Subsidies	31	110	17	19	38
Other Income	28	69	50	104	166
TOTAL FARM RECEIPTS	$1,688	$2,067	$2,222	$2,107	$2,275

EXPENSES

Over the five (5) year period, Cash Expenses have increased from $1,616. per sow in 1980 to $2,060. in 1984 - a change of $444. per sow or some 27.5 percent.

TABLE C-2: EXPENSES

ITEM	1980	1981	1982	1983	1984
Feed Purchased	$1,261	$1,301	$1,297	$1,355	$1,450
Swine Purchased	29	41	39	26	23
Hired Labor	44	136	144	155	176
Bedding	4	3	3	4	1
Vet & Drugs	17	14	15	18	21
Hog Supplies	8	10	10	10	10
Marketing Costs	33	25	26	26	27
Utilities	52	54	58	64	61
Taxes	8	9	10	10	10
Insurance	14	15	18	20	20
Building Repairs	15	26	33	37	33
Mach. & Equip. Expense	34	28	27	39	39
Auto Expense	16	15	26	10	14
Interest - Operating	55	88	70	56	43
Miscellaneous	26	51	42	14	24
Other Non-Hog Expenses	N/A	N/A	N/A	67	106
TOTAL CASH EXPENSES	$1,616	$1,816	$1,818	$1,911	$2,060

INCOME SUMMARY

During the five (5) year period, Net Cash Income per Sow has increased by $146. or by 211 percent over the entire period. From 1980 to 1982, Net Cash Income increased steadily, decreased again in 1983, only to rise again slightly in 1984.

Net Farm Income followed a similar trend and increased by $26. per sow between 1980 and 1984. It can be noted that the Net Farm Income showed an increase in 1981 and 1982, only to fall in 1983 and to increase in 1984.

TABLE C-3: INCOME SUMMARY

ITEM	1980	1981	1982	1983	1984
Total Farm Receipts	$1,689	$2,067	$2,222	$2,107	$2,275
Total Cash Expenses	1,621	1,816	1,818	1,911	2,060
NET CASH INCOME	$ 69	$ 251	$ 404	$ 196	$ 215
Plus: Inventory Change	$ 164	$ 39	$ 78	$ 37	$ 63
Less: Depreciation	146	144	147	139	137
Interest on Capital Loans	75	84	130	92	104
NET FARM INCOME	$ 11	$ 62	$ 205	$ 2	$ 37